MAY 1984

ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska

Managers

Salespersons

Service Workers

Officers

Production

Clerical

BEST AVAILABLE COPY

1 Alaska Occupational Employment

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ALASKA ECONOMIC TRENDS

Bill Sheffield, *Governor, State of Alaska*

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

ALASKA OCCUPATIONAL EMPLOYMENT

By John Van Houten

Research and Analysis' most recent employment estimates and projections indicate a continuation of a trend, similar to the national trend, that has been evident for several years in Alaska. Rapid expansion of high technology has focused attention on high-tech occupations associated with computers, communications, and robots. These areas, which have grown faster than the economy as a whole, are expected to continue to grow faster. Technology advances notwithstanding, high-tech jobs will remain a small slice of the employment pie. Traditional occupations will offer by far the greatest number of employment opportunities now and through the 1980's. The majority of job openings will continue to be in clerical, service, maintenance and production occupations.

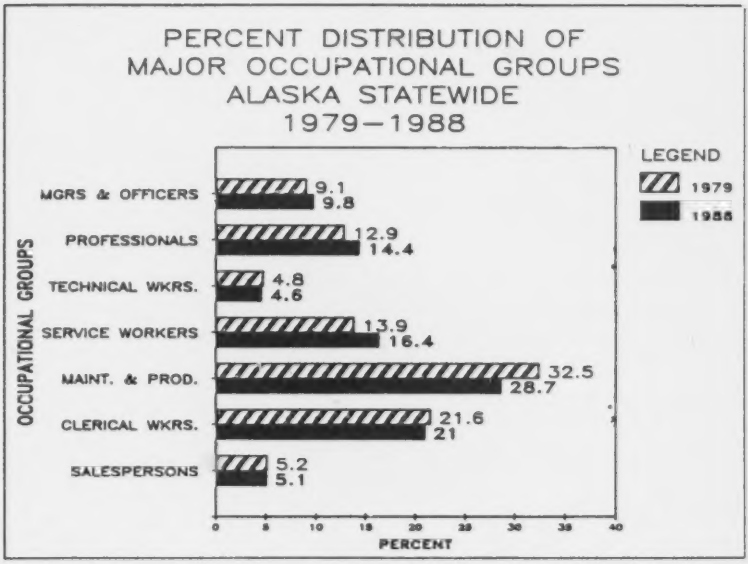
This article is the first of two covering Research and Analysis' most recent occupational employment estimates and projections. A subsequent issue of *Alaska Economic Trends* will contain a detailed outlook for some 230 specific occupations in Alaska, Anchorage, and Fairbanks. The following pie charts and bar graph are useful in gaining a perspective of Alaska employment patterns and occupational opportunities. They give comparisons of estimated employment distribution, by both major occupational groups and industries, among the United States, Alaska statewide, six geographical regions, Anchorage, and Fairbanks. The following are some highlights of the information contained in the charts and graphs:

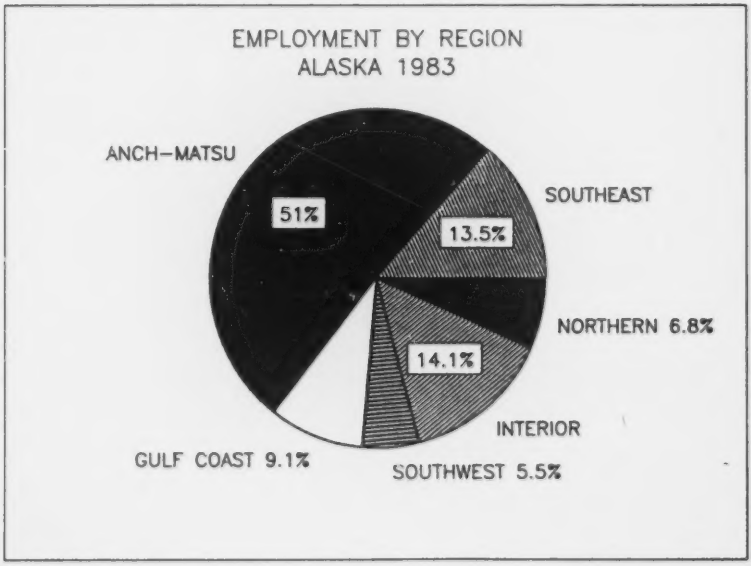
- ★ Service workers (which include janitors/cleaners, waiters/waitresses, and food service workers) are projected to have the largest increase in percentage of total jobs between 1979 and 1988.
- ★ Maintenance and production occupations account for 29% of Alaskan employment followed by clerical jobs at 21%.
- ★ Anchorage-MatSu region accounted for half of all Alaska's employment in 1983.
- ★ Government (federal, state, local) accounts for about 30% of Alaskan employment followed by trade industries with about 20%
- ★ Sales occupations in Alaska account for 5% of the employment; in the United States they account for 12%.

- ★ Professionals' slice of the employment pie is fairly constant in all 6 Alaskan regions; a high of 16% is in the Southeast, a low of 10.9% in the Gulf Coast region.

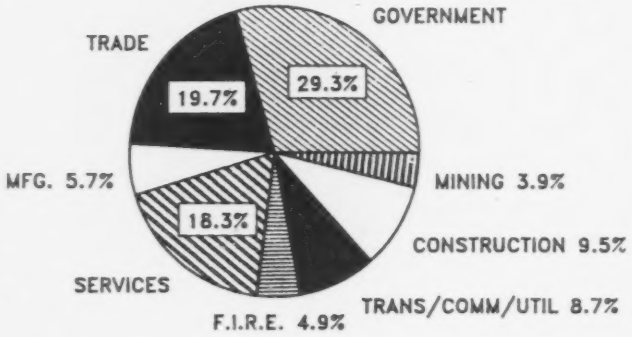
- ★ Maintenance and production workers have a high of 48% in Alaska's Northern region and a low of 22.1% in Anchorage-MatSu; 30% of the U.S. employment is in maintenance and production occupations.

In the following graphs F.I.R.E. stands for Finance Insurance and Real Estate.

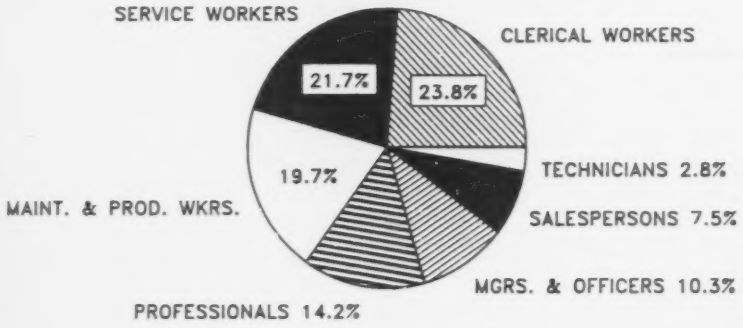

PERCENT DISTRIBUTION OF
MAJOR OCCUPATIONAL GROUPS
ALASKA STATEWIDE
1979–1988
LEGEND
1979
1988
OCCUPATIONAL GROUPS
MGRS & OFFICERS
9.1
9.8
PROFESSIONALS
12.9
14.4
TECHNICAL WKRS.
4.8
4.6
SERVICE WORKERS
13.9
16.4
MAINT. & PROD.
32.5
28.7
CLERICAL WKRS.
21.6
21
SALESPERSONS
5.2
5.1
0
5
10
15
20
25
30
35
40
PERCENT


EMPLOYMENT BY REGION
ALASKA 1983
ANCH–MATSU
51%
SOUTHEAST
13.5%
NORTHERN 6.8%
14.1%
INTERIOR
GULF COAST 9.1%
SOUTHWEST 5.5%

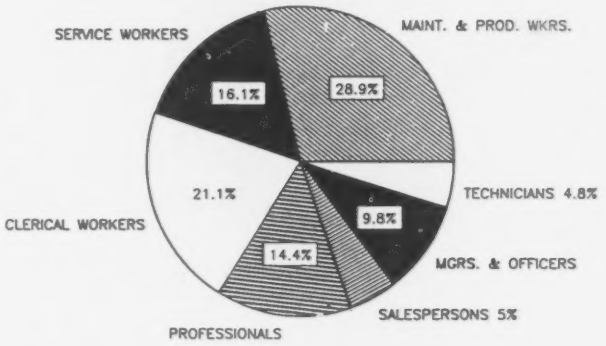
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
ALASKA STATEWIDE
1983



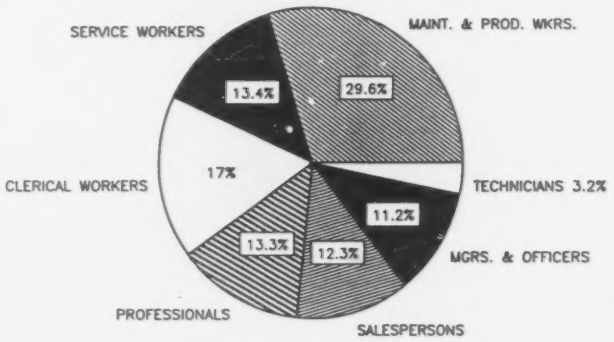
JOB OPENINGS
FROM INDUSTRY GROWTH PLUS DEATH AND RETIREMENT
PERCENT DISTRIBUTION BY MAJOR OCCUPATIONAL GROUPS
ALASKA STATEWIDE ANNUAL AVERAGE 1983–1988



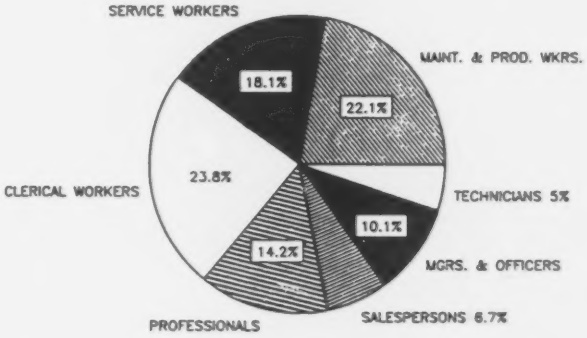
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
ALASKA STATEWIDE
1984



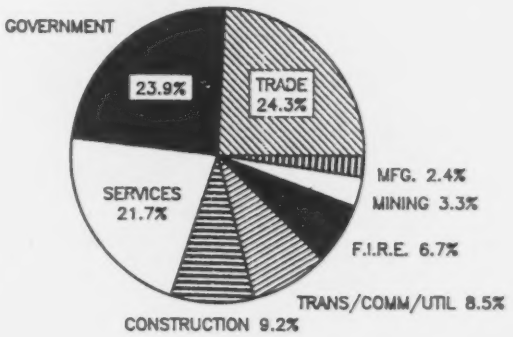
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
UNITED STATES
1983



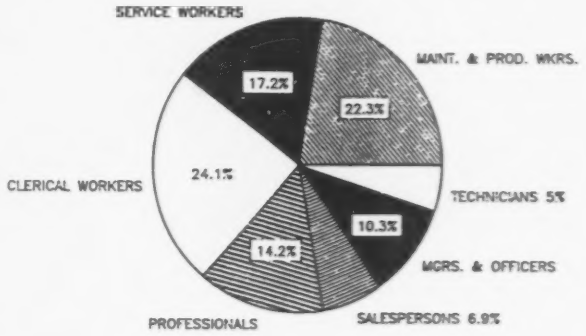
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
ANCHORAGE–MATSU REGION
1984



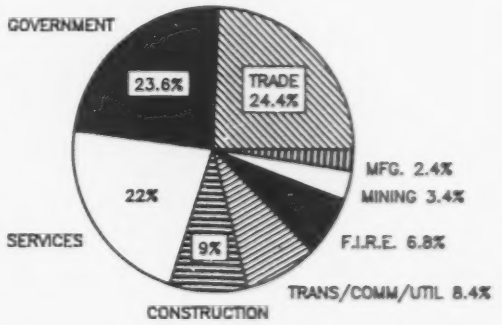
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
ANCHORAGE–MATSU REGION
1983



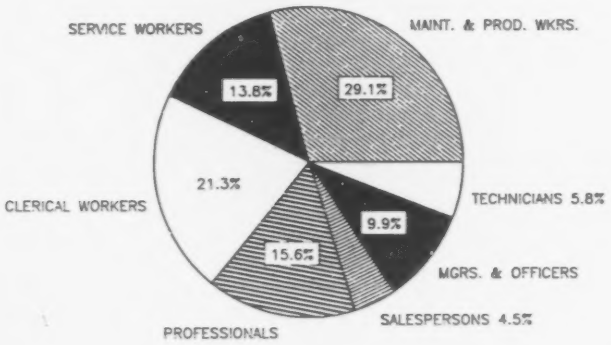
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
ANCHORAGE
1984



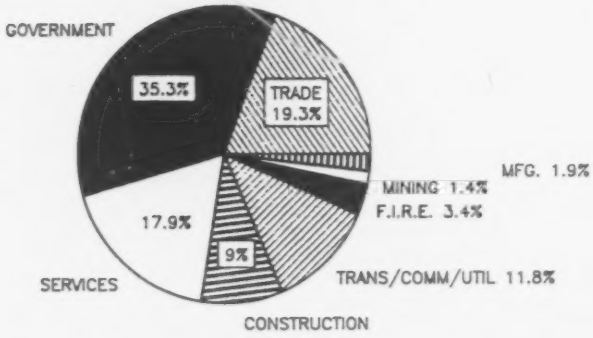
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
ANCHORAGE
1983

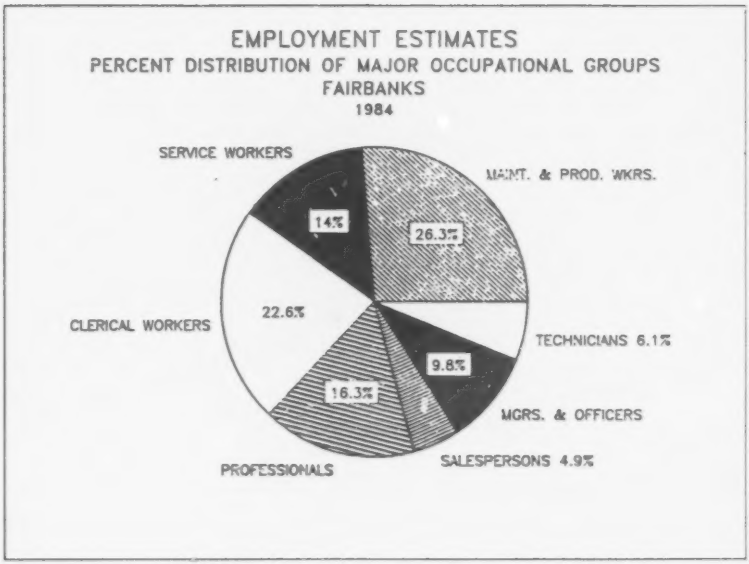


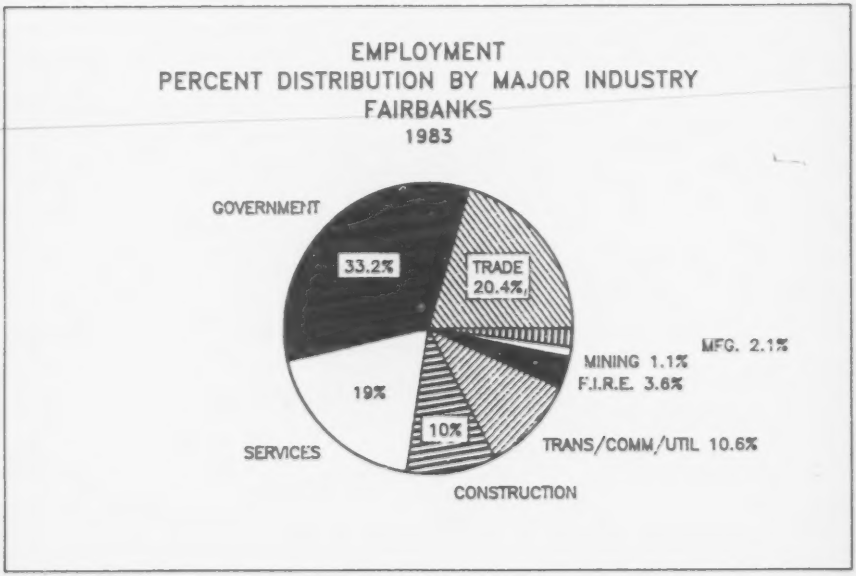
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
FAIRBANKS & INTERIOR REGION
1984

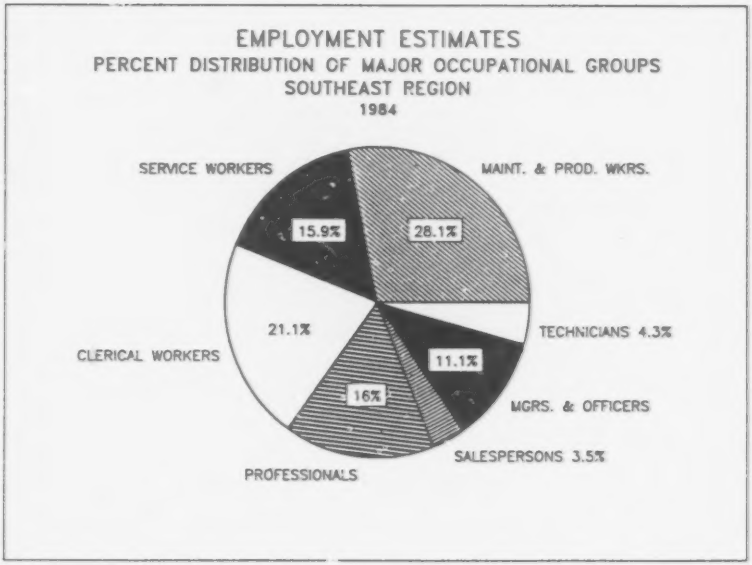


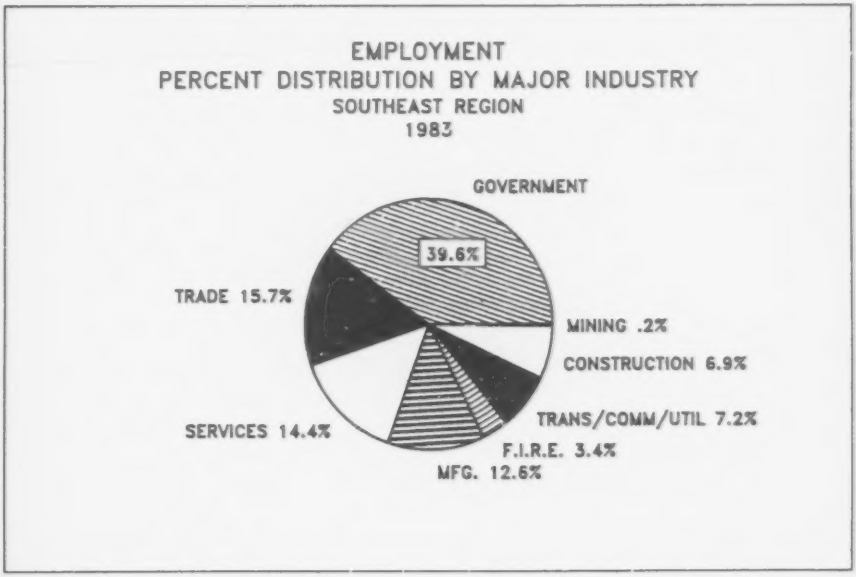
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
FAIRBANKS–INTERIOR REGION
1983



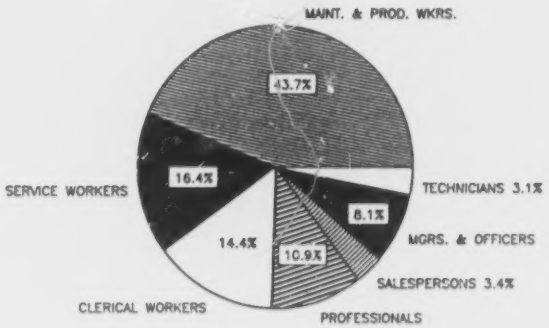

EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
FAIRBANKS
1984
SERVICE WORKERS
14%
MAINT. & PROD. WKRS.
26.3%
CLERICAL WORKERS
22.6%
TECHNICIANS 6.1%
9.8%
16.3%
MGRS. & OFFICERS
PROFESSIONALS
SALESPERSONS 4.9%


EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
FAIRBANKS
1983
GOVERNMENT
33.2%
TRADE
20.4%
MFG. 2.1%
MINING 1.1%
F.I.R.E. 3.6%
19%
10%
SERVICES
TRANS/COMM./UTIL 10.6%
CONSTRUCTION

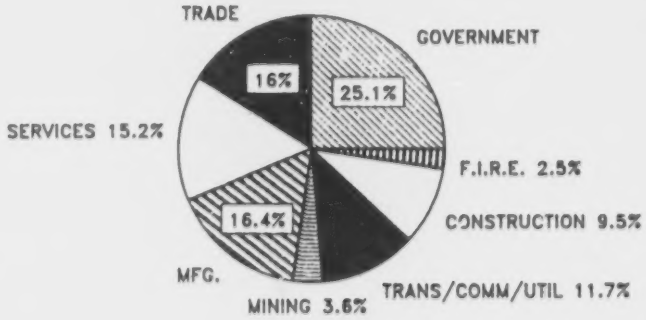

EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
SOUTHEAST REGION
1984
SERVICE WORKERS
15.9%
MAINT. & PROD. WKRS.
28.1%
TECHNICIANS 4.3%
21.1%
CLERICAL WORKERS
11.1%
16%
MGRS. & OFFICERS
SALESPERSONS 3.5%
PROFESSIONALS


EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
SOUTHEAST REGION
1983
GOVERNMENT
39.6%
TRADE 15.7%
MINING .2%
CONSTRUCTION 6.9%
TRANS/COMM/UTIL 7.2%
SERVICES 14.4%
F.I.R.E. 3.4%
MFG. 12.6%

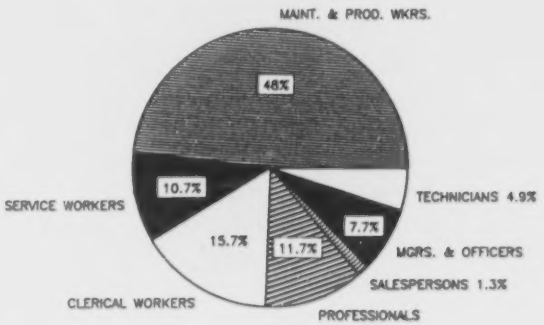
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
GULF COAST REGION
1984



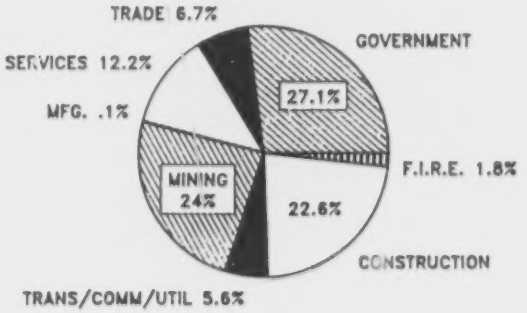
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
GULF COAST REGION
1983



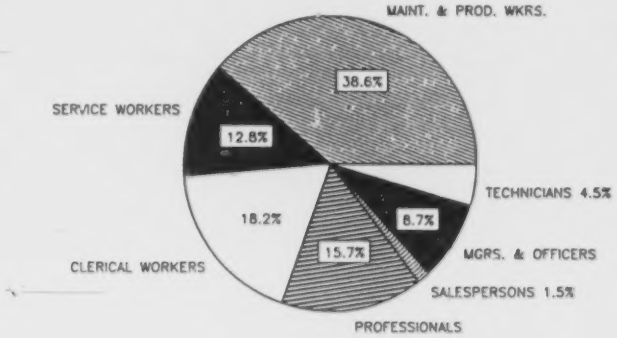
EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
NORTHERN REGION
1984



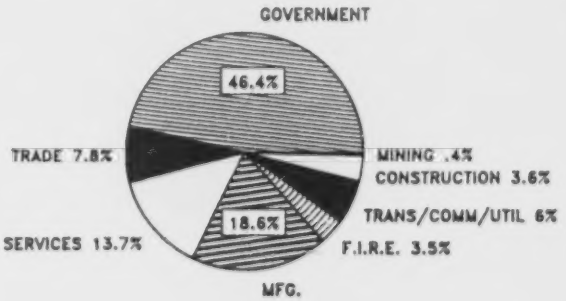
EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
NORTHERN REGION
1983



EMPLOYMENT ESTIMATES
PERCENT DISTRIBUTION OF MAJOR OCCUPATIONAL GROUPS
SOUTHWEST REGION
1984



EMPLOYMENT
PERCENT DISTRIBUTION BY MAJOR INDUSTRY
SOUTHWEST REGION
1983



1984 - 1985 FAIRBANKS EMPLOYMENT FORECAST

By Neal Fried and Greg Huff

To see if the recent record levels of unemployment are indications of a softening of employment demand in Fairbanks, Research & Analysis has made a forecast of employment demand over the next 18 months.

The Model

An 18 month employment forecast for Fairbanks was produced by using the ARIMA (Auto Regressive Integrated Moving Average) modeling technique. This is the first time this model has been used to forecast employment in Fairbanks. The model is designed to provide a two year forecast. In many ways the ARIMA model is better suited for short-term forecasting than more sophisticated econometric models. Each industry is forecast individually, using past years experience to arrive at estimated future employment. These figures were reviewed and adjusted where it was determined the model was unable to account for specific events. Most of the forecasts are based on 5 years of data. The historical data are limited to 5 years to avoid using pipeline era data which can be extreme due to rapid in-migration.

Employment Outlook

Employment in Fairbanks has grown rapidly during the past 3 years, and the forecast indicates continued growth through the first 6 months of 1985 (see table). The growth rate for 1984 is projected to be 3.0%. This reflects a slowing of employment growth from a high of 9.5% in 1981 to 7.2% in 1983. The slowdown is a result of moderating growth rates for past high growth industries and no growth from other industries.

High Growth Industries

The industries which will be responsible for most of the employment growth during the forecast period include trade, services and government. During the past 3 years it was not unusual for services and trade to grow at double digit levels in a year. These industries have grown as a result of increased incomes, population and state spending. The rate of growth will slow during the forecast period, but nevertheless trade and services are forecast to create most of the growth in private sector employment. Government will also increase employment. Federal government will inch upwards as additional military civilian support personnel are needed. State government is expected to grow because of increasing University of Alaska enrollments and a growing population. Local government em-

ployment is forecasted to respond the most to Fairbanks' growing school enrollment and larger population.

Other Industries

Construction employment is the big question mark. According to the forecast, construction employment is expected to remain stable in 1984, largely a result of easing residential construction. There is the possibility that construction employment could remain very strong, particularly if Eielson AFB housing is built this year.

Transportation, communications and utilities will remain flat after experiencing some losses due to Alascom's layoffs. Trucking employment slowed last year and is not expected to pick up in 1984. This is largely a result of less activity on the North Slope this year. Employment in finance, insurance and real estate will remain flat, partially due to the banking industry's consolidation and increased efficiencies. This industry also tends to be more stable than most others.

Fairbanks Employment Forecast
1983-1985*

	Annual Average		Changes		First 6 Months	
	1983	1984	Percent	# of Jobs	1984	1985
Total Nonag. Employment	26700	27500	3.0	800	26500	27300
Mining	300	350	16.6	50	200	250
Construction	2700	2700	-	-	2300	2200
Manufacturing	500	450	-10.0	-50	500	500
Trans. Comm. & Utilities	2800	2800	-	-	2700	2700
Trade	5500	5750	4.5	250	5500	5800
Wholesale	900	950	5.6	50	950	1000
Retail	4600	4800	4.3	200	4550	4800
Fin.-Ins. & Real Estate	1000	1000	-	-	950	1000
Service & Miscellaneous	5100	5250	2.9	150	5050	5250
Government	8900	9250	3.9	350	9300	9600
Federal	2600	2700	3.8	100	2650	2650
State	3800	3950	3.9	150	3950	4100
Local	2500	2650	6.0	150	2700	2850

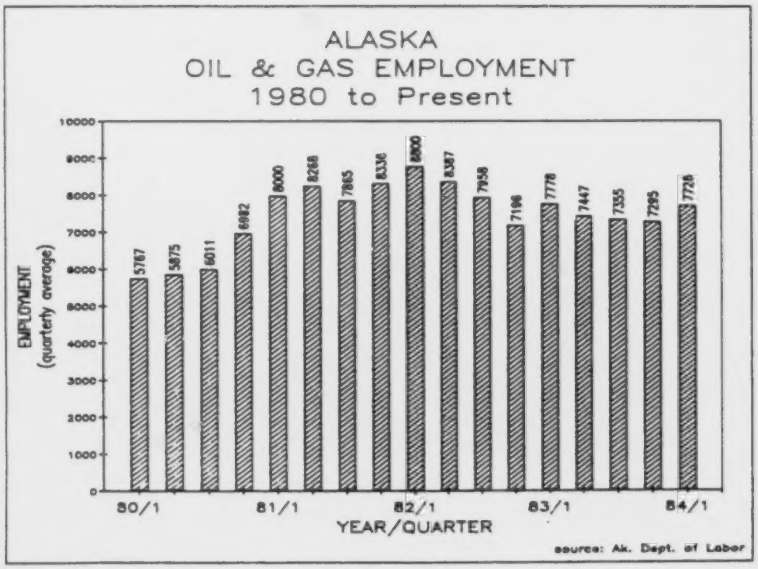
* 1985 Forecast is only for the first six months of the year.

ALASKA

By Ed Eboch

Nonagricultural wage and salary employment improved in March but less than anticipated. While manufacturing employment was up from a month ago, disappointing seafood harvests resulted in a year to year drop in fish processing employment. Due to the continued slump in the forestry industry, accentuated by the closure of the Wrangell sawmill, forest products employment was also below March 1983. With problems in these industries occurring at the same time, employment in manufacturing is the lowest since 1977.

Of more significance to the state as a whole is the continued decline of oil and gas employment from the peaks of February 1982. While employment appears to be stabilizing, March 1984 employment is below the March 1983 level.



Oil and gas is Alaska's most important basic industry. Although only 7,500 people are directly employed in the industry, oil and gas expenditures and tax revenues are the driving force in Alaska's economy. State and local government, and construction employment have benefited directly by increased state revenues and expenditures but all sectors are positively

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA

	P/	R/	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	205300	202100	197400	3200	7900
Mining	8300	8200	8300	100	0
Construction	15500	15000	15100	500	400
Manufacturing	8300	7100	8900	1200	-600
Food & Kindred Prod.	3700	2700	4100	1000	-400
Lumber & Paper Prod.	1900	1700	2100	200	-200
All Other Mfg.	2700	2700	2700	0	0
Trans. Comm. & Utilities	17600	17400	17300	200	300
Trucking & Whseing.	2100	2100	2100	0	0
Water Transportation	1300	1300	1100	0	200
Air Transportation	5500	5400	5200	100	300
Other Trans. Comm. & Utilities	8700	8600	8900	100	-200
Trade	42000	42100	38300	-100	3700
Wholesale	8000	7900	7600	100	400
Retail	34000	34200	30700	-200	3300
Gen. Merchandise & Apparel	4700	4800	4400	-100	300
Food Stores	5900	5900	5000	0	900
Eating & Drinking Places	11700	11600	10800	100	900
Other Retail Trade	11700	11900	10500	-200	1200
Fin.-Insurance & R. Estate	10800	10600	9900	200	900
Services & Misc.	38600	37900	37700	700	900
Government	64200	63800	61900	400	2300
Federal	17400	17500	17600	-100	-200
State	19500	19300	19300	200	200
Local	27300	27000	25000	300	2300

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date: March 1983

P/ Denotes preliminary estimates.

R/ Denotes revised estimates.

impacted. Over 80% of state revenues come from petroleum and with investment income included, the value of petroleum's contribution to state revenues exceeds 90%. These revenues are spent for expanded infrastructure and state and local services and state government.

The oil and gas industry's capital investment contributes strongly to construction employment. Oil industry and state purchases result in additional employment in trade and transportation. The expansion in government and direct support industries increases demand for services and products provided by all areas of the state's economy. The loss of revenues and expenditures from oil and gas would result in an unfavorable economic outlook for Alaska and lower employment in all industries.

World Oil Markets

Crude oil prices are the most important factor in analyzing the future of the oil and gas industry in Alaska. Lower prices for oil would result in less state revenue and slower oil exploration and slower development of new discoveries in Alaska. After recent declines, oil prices are holding steady but downward pressure on oil prices continues to be evident on the world markets. There is a growing opinion that the current crude oil oversupply situation is long term rather than a temporary phenomena. The level of idle production capacity overhanging the oil market is so great that it will

World Oil Production
(1000 b/d) 1/

	83 /2	82	81	80	79	Peak Prod. 3/	Year
USA	10232	10225	10168	10283	10208	10946	1973
Canada	NA	1587	1620	1767	1827	2116	1973
Mexico	2946	3003	2554	2136	1618	3003	1982
UK	2349	2130	1834	1651	1598	2349	1983
USSR	12404	12344	12263	12143	11800	12404	1982
China	2119	2042	2024	2119	2123	2123	1979
Saudi Arabia	5063	6483	9808	9928	9532	9928	1980
Iran	2444	2391	1316	1471	3168	5899	1976
Iraq	955	1012	897	2654	3477	3477	1979
Indonesia	1310	1325	1604	1580	1591	1686	1977
Venezuela	1790	1895	2108	2171	2356	3366	1973
Total Persian Gulf	10959	12292	15068	17902	21017	21638	1977
Total OPEC	17467	18498	22490	26954	30929	31269	1977
Total World	55167	58260	62350	64984	62655	71748 4/	

1/ Source Petroleum Economist March 1984
2/ Preliminary
3/ Since 1973
4/ Sum of peak production of all countries since 1973

LABOR FORCE BY REGION AND CENSUS DIVISION

	Labor Force			Unemployment			Rate			Employment		
	P 3-84	R 2-84	3-83	P 3-84	R 2-84	3-83	P 3-84	R 2-84	3-83	P 3-84	R 2-84	3-83
Alaska Statewide	230937	225857	217003	28215	29489	27149	12.2	13.1	12.5	202722	196368	189854
Anchorage-MatSu Region	120878	118604	111836	11582	11858	11296	9.6	10.0	10.1	109296	106746	100540
Anchorage	108539	106410	100481	9372	9556	9258	8.6	9.0	9.2	99167	96854	91223
Matanuska-Susitna	12339	12194	11355	2210	2302	2038	17.9	18.9	17.9	10129	9892	9317
Gulf Coast Region	24972	24340	23330	4043	4429	3979	16.2	18.2	17.1	20929	19911	19351
Cordova	1301	1247	1219	181	181	183	13.9	14.5	15.0	1120	1066	1036
Kenai	13134	12679	12377	2470	2534	2517	18.8	20.0	20.3	10664	10145	9860
Kodiak	5186	5269	4799	407	723	380	7.8	13.7	7.9	4779	4546	4419
Seward	1894	1839	1737	402	419	357	21.2	22.8	20.6	1492	1420	1380
Valdez	3457	3306	3198	583	572	542	16.9	17.3	16.9	2874	2734	2656
Interior Region	30862	30621	28752	5276	5735	4708	17.1	18.7	16.4	25586	24886	24044
Fairbanks	25164	24998	23392	4310	4715	3794	17.1	18.9	16.2	20854	20283	19598
Southeast Fairbanks	2462	2441	2274	370	406	308	15.0	16.6	13.5	2092	2035	1966
Upper Yukon	743	737	717	119	130	131	16.0	17.6	18.3	624	607	586
Yukon-Kovukuk	2493	2445	2369	477	484	475	19.1	19.8	20.1	2016	1961	1894
Northern Region	11386	11027	11292	1115	1220	985	9.8	11.1	8.8	10271	9807	10217
Barrow-North Slope	2987	2926	2912	217	281	156	7.3	9.6	5.4	2770	2645	2756
Kobuk	3592	3445	3514	405	402	343	11.3	11.7	9.8	3187	3043	3171
Nome	4807	4656	4776	493	537	486	10.3	11.5	10.2	4314	4119	4290
Southeast Region	31456	30380	30486	4886	4980	4840	15.5	16.4	15.9	26570	25400	25646
Angoon	410	383	414	58	47	75	14.1	12.3	18.1	352	336	339
Haines	1071	1054	1117	175	197	252	16.3	18.7	22.6	896	857	865
Juneau	10930	10527	10547	1285	1305	1237	11.8	12.4	11.7	9645	9222	9310
Ketchikan	6696	6524	6354	1107	1181	959	16.5	18.1	15.1	5589	5343	5395
Outer Ketchikan	763	767	856	105	138	220	13.8	18.0	25.7	658	629	636
Prince of Wales	1570	1470	1553	341	295	366	21.7	20.1	23.6	1229	1175	1187
Sitka	4342	4209	4210	445	484	419	10.2	11.5	10.7	3897	3725	3761
Skagway	1720	1731	1759	420	389	505	24.4	28.2	28.7	1300	1242	1254
Wrangell-Petersburg	3954	3715	3676	950	844	777	24.0	22.7	21.1	3004	2871	2899
Southwest Region	11383	10885	11397	1313	1267	1341	11.5	11.6	11.8	10070	9618	10056
Aleutian Islands	2876	2745	2928	138	130	193	4.8	4.7	6.6	2738	2615	2735
Bethel	3671	3493	3663	467	433	463	12.7	12.4	12.7	3204	3060	3199
Bristol Bay Borough	422	394	421	61	39	60	14.5	12.4	14.3	361	345	361
Bristol Bay	1546	1490	1531	194	198	181	12.5	13.3	11.8	1352	1292	1350
Kuskokwim	1076	1039	1017	203	205	145	18.9	19.7	14.3	873	834	872
Wade Hampton	1792	1724	1837	250	252	298	14.0	14.6	16.2	1542	1472	1539

P =Preliminary 1983 Benchmark

R =Revised

Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

take years of robust economic growth worldwide to bring a balanced supply/demand situation.

The table on world oil production puts into perspective the current supply situation. Using peak production as an approximation, world production capacity exceeds 70 million b/d versus a current demand of 55 million b/d. Even this probably understates potential capacity at the current per barrel crude price. As can be seen from the table many OPEC countries reached peak production in 1973 when the first oil price increase occurred as a result of OPEC action. Worldwide production peaked in 1980 after the significant oil price increases of 1979-1980.

OPEC was successful in setting the price for oil in a supply short situation but is unable to control price now that there is a supply surplus situation. Nationalization of the oil company facilities broke the tie with the multinationals. With the loss of secure supplies in OPEC countries, the major oil companies no longer had an economic interest in supporting the status quo.

With the profit potential from new discoveries, the oil companies expanded their efforts to find other sources of oil and gas. Even now the economic cost (excluding taxes and royalties) of producing the higher priced barrels of oil (North Slope and North Sea) is approximately $15.00 a barrel delivered to market. Estimates of the cost of new found production is less than $20.00. When you consider that Saudi Arabia can produce 5-7 million additional b/d of oil and deliver it to market at less than $5.00 a barrel, there is little economic reason to suggest the current price of crude can be maintained indefinitely

The conservation effort, in response to high crude prices, exceeded everyone's expectations. Oil demand continued to increase as long term structural changes were occurring in the world economy. Conservation efforts were seen in the shift to fuel efficient vehicles, changes in housing construction, and less use of other energy consumable activities. Utilities began to shift to alternative fuels to generate electricity. Energy requirements per unit of output had decreased steadily since World War II but the trend accelerated beginning with the oil price increases of 1973. These new energy use patterns appear to be structural and changes to less efficient use of energy are unlikely even with lower energy prices.

With the disparity between quantities of crude oil demanded and quantities supplied, OPEC is no longer able to control the price of crude. The possibility of this situation changing in the short term is remote. Even if the Persian Gulf were closed to shipping the loss of supply no longer has the significance it once had. Current production flowing from the Persian Gulf states is approximately 11 million b/d. As much as 3 million b/d is now, or could be, moved by pipeline to the Mediterranean or Red Sea.

Much of the remaining loss would be made up from non Persian Gulf OPEC members and non OPEC countries. Many consuming countries have insulated themselves from temporary shortages. The probability that there will be another oil shortage seems remote.

The world wide economic recovery will increase demand for oil and gas and should help stabilize oil prices. However, the recovery is unlikely to result in a real price increase for oil. When analyzed in the context of the current world markets and cost of production, continued price declines are a real possibility.

Alaska Outlook

With lower prices for crude oil and natural gas and continued downward pressure on prices, the outlook for Alaska's oil and gas industry still remains reasonably good. If the major oil companies are to control their future they must find secure sources of crude oil and diversify their source of crude oil. Alaska represents a politically stable area with potential for significant quantities of oil and gas yet to be discovered. While low oil prices and the disappointment of Mukluk will constrain the enthusiasm seen over the past few years, exploration and development will continue.

Both the state and federal government have ambitious leasing schedules through 1988. This will be a landmark year if all scheduled leases occur. While it is unlikely that lease sales will command the prices of past sales there will still be substantial interest. Long lead time is required to find and develop oil resources. This means that by the time current lease offerings are able to produce oil, the supply/demand situation will likely be in balance and better real prices will prevail.

With substantial investment in production, collection and transportation facilities, the oil companies have an incentive to develop additional North Slope reserves. The economics of marginal fields on the North Slope will improve as additional infrastructure is put into place and as the price of crude improves. As an oil producing region Alaska has benefited from high oil prices. While the benefits will continue to diminish in the short run especially as North Slope production drops off, oil and gas employment should remain stable over the next few years. The long term prospects for the industry in Alaska remain positive.

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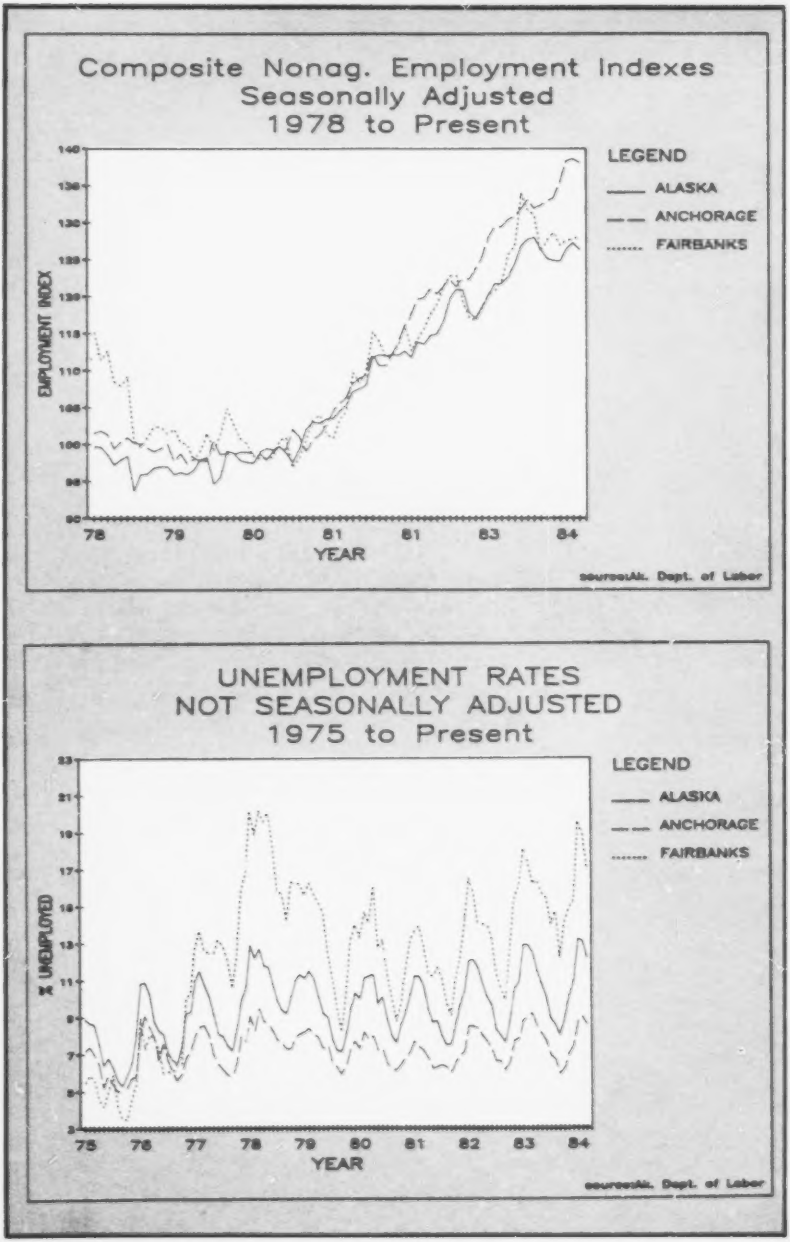

ANCHORAGE-MATSU

By Greg Huff

Anchorage Employment: First Quarter 1984

During the first three months of 1984 Anchorage Nonagricultural Wage and Salary Employment experienced deterioration in the rate of growth compared to similar periods in 1981-1983. Even so employment during the first quarter 1984 averaged 7.4% higher than comparable 1983 employment levels. Declining residential construction activity and the leveling of state government employment were the primary cause of the tapering growth rate. Growth in retail trade and local government have contributed substantially to the creation of new jobs.

Trade Employment

Wholesale distributors, particularly those in auto parts supply and groceries and other nondurable goods have had major employment gains in 1984 while distributors supplying to the construction industry have dropped employment levels slightly. Retail trade employment in March was 12% above March 1983 levels. All retail trade sectors except for mobile home sales had year to year growth in employment ranging from 8.8% to nearly 15%. Employment in mobile home sales is down because of a lack of space to locate a mobile home. The single largest gain was in eating and drinking establishments where over 800 new jobs were created since last March.

Government

Growth in government employment began tapering off in 1984 with federal and state government payrolls staying relatively stable while local government employment grew rapidly. Pressures caused by a growing population have pushed employment up in both the educational and noneducational branches of local government. It should be noted that growth in local government during the year has been over inflated due to a recording error of 1983 Anchorage School District employment. Local government employment in March 1984 was 17% greater than the March 1983 levels instead of the 28% previously reported, still a sizable gain.

Construction

During the first three months of 1984 construction employment continued to expand but at a much slower pace than in 1983 a result of over built residential markets. The number and valuation of building permits from the municipal building activity report indicates the extent of the slowdown in construction activity (see table below). The valuation of permits

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE

	P	R	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	101150	100300	97500	850	6650
Mining	3600	3550	3550	50	50
Construction	7600	7450	7250	150	350
Manufacturing	2100	2100	2000	0	100
Food & Kindred Prod.	300	300	300	0	0
Other Mfg.	1800	1800	1700	0	100
Trans. Comm. & Utilities	8700	8600	8250	100	450
Trucking & Whseing.	1300	1300	1150	0	150
Water Transportation	300	250	300	50	0
Air Transportation	3500	3500	3250	0	250
Other Trans. Comm. & Utilities	3600	3550	3550	50	50
Trade	26200	26050	23700	150	2500
Wholesale	6050	5950	5750	100	300
Retail	20150	20100	17950	50	2200
Gen. Merchandise	1750	1750	1600	0	150
Food Stores	2600	2550	2350	50	250
Eating & Drinking Places	7700	7650	6900	50	800
Other Retail Trade	8100	8150	7100	-50	1000
Fin.-Insurance & R. Estate	7150	7050	6750	100	400
Services & Misc.	22900	22800	22200	100	700
Government	25900	25700	23800	200	2100
Federal	10000	10000	9900	0	100
State	6600	6550	6650	50	-50
Local	9300	9150	7250	150	2050

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU

	P	R	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	109200	108500	102050	700	7150
Mining	3600	3600	3600	0	0
Construction	8000	7850	7700	150	300
Manufacturing	2150	2150	2050	0	100
Trans. Comm. & Utilities	9200	9100	8750	100	450
Trade	27250	27150	24650	100	2600
Fin.-Insurance & R. Estate	7450	7350	6950	100	500
Services & Misc.	23800	23850	22900	-50	900
Government	27750	27450	25450	300	2300

for residential units for January through March 1984 was down 46%. Multifamilty projects (most of which are condominiums) were hit the hardest, down 51%. Value of single family units were down 43%. Permits for residential housing units have been down since October 1983. Given a lag time between filing for a permit and actual construction, residential construction activity in 1984 will be substantially below last year's levels.

Commercial construction will remain strong in 1984, offsetting to some extent declines in residential construction employment. Road and bridge projects slated for this year will also help offset declines in residential construction employment. A direct indicator of current construction activity is the number of inspections made by municipal building inspectors which is 23% above early 1983 activity.

Municipal Building Activity
First Quarter 1983 and 1984
Anchorage

	1983		1984	
Type Of Construction	Permits	Value *	Permits	Value *
Single Family	641	$53.0	347	$29.8
Duplex	82	4.7	66	4.4
Multifamily	1526	68.4	536	33.5
Commercial	51	40.3	33	54.4
Residential Remodeling	173	3.5	146	3.5
Commercial Remodeling	170	16.4	193	12.6
Total	2643	186.1	1341	138.0

* Estimated value in millions of dollars.

Source: Municipal building activity report

Other Industries

Mining employment during the first three months of 1984 should show steady growth. Employment in the oil and gas sector contributed to the increase as Anchorage support staffs grow in response to the growing network of oilfields to the pipeline, enhanced recovery operations and new exploration efforts. Health services continue to grow in 1984 to meet the needs of a rapidly expanding population. Employment in the health fields increased over 9%.

FAIRBANKS/INTERIOR

By Neal Fried

A Profile of Fairbanks' Unemployed

Who are the people behind Fairbanks' monthly unemployment rate? What are their ages and why are more men than women unemployed? What industries and occupations were they previously working in before they became unemployed? How long do they remain unemployed, and if they are receiving unemployment compensation, how much do they receive weekly? These statistics are not reported each month with the unemployment rate. This month we will shed some light on the characteristics of the unemployed.

The statistics reported here on the characteristics of the unemployed represent those individuals who filed an initial claim for state unemployment insurance during any part of 1983. The unemployed who are not included are those individuals who 1) filed an initial claim prior to 1983 and were still unemployed in 1983 but did not file a new initial claim, 2) were not eligible for unemployment benefits because they are not covered by the program, 3) did not work long enough to be eligible for benefits, and 4) were new entrants into the labor force without prior or recent work experience.

The "average" Fairbanks unemployment insurance claimant received $143 per week for 14 weeks in 1983. During the same year $13.6 million was paid out in unemployment insurance in Fairbanks. This is a record amount for one year.

The unemployment claimants tend to be young and male (see tables). The largest group falls within the 25-34 age bracket. This age group is the largest portion of the labor force in Fairbanks. When layoffs occur they are the first to go because of less work experience. As a result they tend to change jobs more often than their older counterparts. Also, they are more likely to be employed in industries which experience high unemployment, such as construction.

Though women make up approximately 42% of Fairbanks' labor force, only 26% of the unemployed are women. Women's representation is low among the unemployed in Fairbanks because of their occupations. Women are strongly represented in clerical, sales, and service occupations which are more stable than the male dominated seasonal occupations like construction.

Fairbanks Unemployment Insurance Claimants
1983

Occupational Characteristics

	Number	Percent
Professsional, Tech. Mgr.	721	12.2
Clerical & Sales	906	15.3
Services	646	10.9
Ag., Fish & Forestry	40	0.7
Processing Occupations	22	0.3
Machine Trades	339	5.7
Benchwork	40	.7
Structural Work	2381	40.3
Miscellaneous	814	13.8
Total	5909	100.0%

Industry Characteristics

	Number	Percent
Mining	164	2.8
Construction	2583	43.7
Manufacturing	123	2.1
Trans., Comm. & Util.	499	8.4
Trade	844	14.3
Fin.-Insurance & R. Estate	96	1.6
Services & Miscellaneous	1236	20.9
Government	364	6.2
Total	5909	100.0

Age Characteristics

Ages	Number	Percent
16-20	189	3.0
20-24	902	15.0
25-34	2381	40.0
35-44	1345	23.0
45-54	701	12.0
55-64	359	6.0
65 and Over	32	1.0
Total	5909	100.0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS

	P/	R/	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	25550	25300	24250	250	1300
Mining	200	200	300	0	-100
Construction	1750	1750	1650	0	100
Manufacturing	500	450	450	50	50
Trans. Comm. & Utilities	2650	2550	2700	100	-50
Trucking & Whseing.	400	350	400	50	0
Air Transportation	600	600	600	0	0
Other Trans. Comm. & Utilities	1650	1600	1700	50	-50
Trade	5300	5350	4800	-50	500
Wholesale	900	900	850	0	50
Retail	4400	4450	3950	-50	450
Gen. Merchandise & Apparel	400	400	350	0	50
Food Stores	750	750	700	0	50
Other Retail Trade	3250	3300	2900	-50	350
Fin.-Insurance & R. Estate	1000	950	950	50	50
Services & Misc.	4900	4900	4750	0	150
Government	9250	9150	8650	100	600
Federal	2600	2550	2500	50	100
State	4000	3950	3900	50	100
Local	2650	2650	2250	0	400

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR

	P/	R/	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	28900	28700	27600	200	1300
Mining	300	300	400	0	-100
Construction	1800	1850	1700	-50	100
Manufacturing	500	500	450	0	50
Trans. Comm. & Utilities	3350	3250	3400	100	-50
Trade	5600	5650	5150	-50	450
Fin.-Insurance & R. Estate	1050	1000	1000	50	50
Services & Misc.	5150	5150	5000	0	150
Government	11150	11000	10500	150	650

The largest group of unemployed workers in Fairbanks (44%) were previously employed in the construction industry. This is in spite of the fact that only 10% of Fairbanks' employment is in the construction industry. Construction is disproportionately represented because it is Fairbanks' most seasonal industry, and because there has been a continuous oversupply of workers in construction despite the industry's rapid growth.

Most of the remaining industries represented in the unemployment insurance numbers were either proportionate to their industry size or under represented. The number of unemployed formerly working in government is an extreme example in the under represented category. Approximately 6% of the insured unemployed had previously worked for local and state government, though 24% of Fairbanks' wage and salary workforce are employed in these sectors. The nature of government's employment lends itself to such results, the employment is both stable in the course of a year, and typically does not fluctuate much from year to year.

The occupations of the unemployed correlate with the industry data. Structural occupations primarily associated with construction, is the largest group. Occupational categories such as professional, technical, managerial, clerical, and sales, are expected to be less seasonal and more stable, and the data bears this out.

If a profile of the "typical" unemployed person in Fairbanks were to be constructed, the person would be a young, male construction worker. It must be kept in mind, however, that both sexes, all ages and all industrial occupations, are represented among Fairbanks' unemployed.

GULF COAST

By Neal Fried

A Profile of Kenai Peninsula's Unemployed

Each month the unemployment rate for Kenai-Cook Inlet and Seward are reported in this publication. The unemployment rate, one statistic which sheds some light on the overall condition of an area's economy, gives no information on the characteristics of the unemployed individuals. It does not answer such questions as: 1) are more men unemployed than women, 2) what are their ages, 3) what industries and professions were they employed in before they became unemployed, and 4) how long do they remain unemployed, and if they are receiving unemployment checks, how much do they receive weekly.

The following characteristics of the unemployed represent those individuals who filed an initial claim for regular state unemployment insurance during any part of 1983. The unemployed which are not included are those individuals who 1) had filed an initial claim prior to 1983 and were still unemployed in 1983 but did not file a new initial claim, 2) were not eligible for unemployment benefits because they are not covered by the program, 3) did not work long enough to be eligible for benefits, and 4) were new entrants into the labor force without prior or recent work experience.

The "average" Kenai Peninsula unemployment insurance claimant in 1983 received $129 per week for 15.6 weeks. The total amount of unemployment dollars paid out to claimants during the year of 1983 was $8.5 million. Sixty percent of the Kenai Peninsula's unemployed are 34 years old or less. The unemployed tend to be young because the labor force is young. Because they have less employment experience they change jobs more often. The younger workers are also more likely to work in seasonal industries which experience more unemployment, such as construction and fish processing.

Though 37% of the Peninsula's labor force are women, only 30% of the unemployed are women. Women are less concentrated in seasonal industries. The construction industry occupations for example are dominated by males. Women tend to be employed in occupations which are more stable, such as clerical and sales, and is the major reason why women are under represented as a percent of the unemployed.

Twenty eight percent of the Kenai Peninsula's unemployed were employed in the construction industry before being layed off. This makes construction the single largest group of unemployed. Yet only 9% of the Peninsula's wage and salary workforce work in construction. One obvious explanation

Kenai Peninsula's Unemployment Insurance Claimants
1983*

Industry Characteristics

	Number	Percent
Mining	290	8.7
Construction	913	27.5
Fish Processing	284	8.6
Other Manufacturing	78	2.4
Transportation	281	8.5
Trade	532	16.0
Fin.-Insurance & Real Estate	61	1.8
Services & Miscellaneous	696	21.0
State & Local Government	181	5.5
Total	3316	100.0%

Occupational Characteristics

	Number	Percent
Professional, Tech., Mgr.	321	9.7
Clerical & Sales	497	15.0
Services	356	10.7
Processing Occupations	225	6.8
Machine Trades	179	5.4
Bench Work	21	.6
Structural Work	1273	38.4
Ag., Fish & Forestry	56	1.7
Miscellaneous	388	11.7
Total	3316	100.0%

Age Characteristics

Ages	Number	Percent
16-20	110	3.3
20-24	546	16.5
25-34	1364	41.1
35-44	741	22.3
45-54	345	10.4
55-64	187	5.6
65 and Over	23	.7
Total	3316	100.0%

* The statistics are based on 95% of the Kenai Peninsula's unemployment insurance data. The percent distributions may not add up to 100% because of rounding.

is the industry's seasonal nature. It is compounded by the fact that this industry has suffered from an oversupply of workers for many years.

Most other industries were proportionate to the size of their industry. One industry statistic not expected to be proportionate was fish processing. Approximately 11% of the Peninsula's wage and salary workforce is employed in this industry, but only 9% of the Peninsula's unemployment claimants had previously worked in fish processing. This is unusual given the seasonal nature of this industry. However, statewide statistics show that over half the people in the fish processing industry leave the state when the work is completed, and collect their unemployment from other states. Government, in contrast to construction, has a much smaller percent of unemployed than would be expected given the number of employees. Twenty percent of the area's wage and salary workforce are employed in state and local government, but only 6% of the unemployed were formerly employed by these levels of government. Government employment is less seasonal and more stable on a long term basis than most other industries.

The occupational unemployment characteristics correspond closely to the industry characteristics. Structural occupations, primarily associated with construction representing 38% of the claimants. With one exception, most other occupational categories are occupations with less seasonality and the data attests to this fact. Fish processing occupations appear not to be seasonal, but as in the industry category, this is because many of these people leave the Peninsula when they are done working.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST

			CHANGES FROM:	
	P/	R/		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	17850	17050	16650	800	1200
Mining	700	700	700	0	0
Construction	1350	1300	1200	50	150
Manufacturing	2200	1700	2200	500	0
Food & Kindred Prod.	1550	1100	1600	450	-50
All Other Mfg.	650	600	600	50	50
Trans. Comm. & Utilities	2200	2200	2000	0	200
Trade	2950	2900	2550	50	400
Wholesale	450	400	350	50	100
Retail	2500	2500	2200	0	300
Fin.-Insurance & R. Estate	500	450	500	50	0
Services & Misc.	2850	2800	2550	50	300
Government	5100	5000	4950	100	150
Federal	500	500	500	0	0
State	1500	1450	1450	50	50
Local	3100	3050	3000	50	100

SOUTHEAST ALASKA

By John Boucher

Third Quarter Data Available

Recent completion of counts of insured employees, referred to as ES-202 data, has made it possible to analyze what impact the third quarter made on the Southeast Alaska economy last year.

Because of the seasonal nature of employment in Alaska, the third quarter represented by the months of July, August and September, is historically the quarter of highest employment and lowest unemployment. Seasonal industries such as seafood processing, lumber & paper products, and construction traditionally employ the greatest number of people in the third quarter. Third quarter data, therefore, is invaluable in determining these industries strengths and can go a long way in determining the overall strength of the Southeast Alaska economy during any given year.

Data for the third quarter indicates that a 3.0% growth in employment occurred from third quarter 1982 to third quarter 1983. While news of growth is normally received happily, given the current state of the Alaskan economy, 3.0% could be considered slow, especially when compared to the booming Kenai and Mat-Su areas.

Is Southeast Heading in a New Direction?

On the surface, reasons for the slower growth rate in Southeast seem fairly simple. Manufacturing, transportation, and federal government employment all declined from year to year, manufacturing being the largest contributor to the decline. On the plus side, total employment increased due to gains in construction, services, trade, government and finance insurance and real estate.

It could be argued that the third quarter of 1983 is a harbinger of the direction the Southeast Alaska economy is taking. With timber and fish the areas primary resources, the manufacturing sector has been the areas largest employer next to state government. As recently as 1980 Southeast manufacturing employment had the highest annual average employment in the region. In 1983 third quarter manufacturing employment was down nearly 10% from 1982 due to the lumber industries well publicized woes.

While manufacturing was suffering, construction and other industries were soaring. What is the economic impetus that is creating new jobs at a time when the primary industry of the region is suffering? Examination of the regions, and not coincidently the states hottest industry, construction, provides some answers. From 1982 to 1983 new construction employment

Nonagricultural Wage and Salary Employment
Southeast Alaska

Industry	3/83	3/82	Change
Mining	70	35	35
Construction	2554	2023	531
Residential	650	583	67
Heavy	1095	861	234
Special Trades	809	579	230
Manufacturing	4298	4766	-468
Transportation	2270	2442	-172
Trade	4759	4581	178
Wholesale	513	402	111
Retail	4246	4179	67
Fin.-Ins. & Real Estate	1085	985	100
Services	4325	3976	349
Misc.	397	291	106
Government	10820	10613	207
Federal	2324	2432	108
State	5244	5150	94
Local	3252	3031	221
Totals	30578	29712	866

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA

	P	R	CHANGES FROM:		
	3/84	2/84	3/83	2/84	3/83
Nonag. Wage & Salary	26700	25900	26350	800	350
Construction	1500	1250	1500	250	0
Manufacturing	2150	1900	2400	250	-250
Food & Kindred Prod.	400	350	450	50	-50
Lumber & Paper Prod.	1550	1350	1750	200	-200
All Other Mfg.	200	200	200	0	0
Trans. Comm. & Utilities	1850	1850	1850	0	0
Trade	4300	4250	4150	50	150
Wholesale	400	400	400	0	0
Retail	3900	3850	3750	50	150
Fin.-Insurance & R. Estate	1000	1000	900	0	100
Mining, Services & Misc.	4150	4050	3950	100	200
Government	11750	11600	11600	150	150
Federal	2150	2000	2100	150	50
State	5450	5450	5550	0	-100
Local	4150	4150	3950	0	200

in the Juneau area accounted for over half of all growth in employment in the regions construction industry. Juneau accounted for more than 100% of the year to year growth in residential construction alone. If just heavy construction is considered, one census division, Wrangell-Petersburg, accounted for 75% of all heavy construction growth in Southeast. This is due to two projects, the Tyee hydro project and the Petersburg hospital. It is interesting to note that growth in Juneau construction related to the resolution of the capital move issue and Petersburg heavy construction account for nearly 90% of all construction growth in the region. The common thread is that public policy (i.e. state government funded projects) directly effected the employment of the region. If one adds the impact on employment that government made in terms of additional government employees, over 70% of all growth in Southeast over the last year was directly or indirectly the result of public policy decisions. This does not even include the support industry jobs that would be created due to the expansion caused by the public sector.

If current conditions, such as the forest products industries continuing problems are considered with events of the last year it could be concluded that Southeast is growing even more dependent upon the public sector for continued employment growth. The implications of this dependency are less clear than the evidence of its growth. If, as many forecasters predict, total state revenues begin to shrink due to declining production at Prudhoe Bay, Southeast could see its largest job producer face a cash crunch that would slow the employment growth of the region considerably.

HOURS AND EARNINGS

By Kathy Thomas

February hours and earnings showed little change from January with the exception of food and kindred products and lumber and paper products. Food and kindred products has benefited from a milder than usual February, leading to increased fishing activity. Even though average hourly earnings decreased by 2%, average weekly hours jumped by 17% which resulted in average weekly earnings increasing by 15%.

The continual depression in the lumber industry served to decrease average hourly earnings for lumber and paper products. Even with the increase of 10% in average weekly hours, average weekly earnings decreased by 4%. In an industry effort to lower operating costs and continue mill operation, hourly earnings will probably continue to remain low.

ALASKA
HOURS AND EARNINGS
FOR
SELECTED INDUSTRIES 1/ 2

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	p/ 2/84	r/ 1/84	2/83	p/ 2/84	r/ 1/84	2/83	p/ 2/84	r/ 1/84	2/83
Mining	$22.32	$21.74	$22.60	48.3	48.6	47.9	$1078.06	$1056.56	$1082.54
Contract Construction	23.88	23.74	23.67	41.1	40.6	41.5	981.47	963.84	982.31
Manufacturing	14.26	15.09	13.36	34.1	32.8	32.4	486.27	494.95	432.86
Food & Kindred Products	8.73	8.93	8.36	25.7	21.9	26.5	224.36	195.57	221.54
Lumber & Paper Products	17.19	18.17	16.72	40.7	36.9	37.1	699.63	670.47	620.31
Trans. Comm. & Utilities	15.87	15.80	15.43	36.8	37.1	37.7	584.02	586.18	581.71
Trade	10.18	10.52	9.64	33.7	33.8	34.3	343.07	355.58	330.65
Wholesale	12.07	12.57	11.05	37.1	36.8	37.4	447.80	462.58	413.27
Retail	9.40	9.72	9.04	32.5	32.8	33.2	305.50	318.82	300.13
Fin.-Insurance & R. Estate	—	—	—	—	—	—	363.34	367.42	350.17

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor

2/ Excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.